

E. **SERVICES CURRENTLY PROVIDED TO SBLD**

1. Prior to the issuance of the **Non-Accounting Safeguards First Report and Order**, SBLD had expressed its intention to purchase services from SWBT in conformity with the express applicable structural, transactional, and non-discriminatory treatment requirements of Section 272(b)(1), (2), and (5), (c), (e), and (g).
2. In reliance upon the express terms of Section 272, SBLD contracted with SWBT to receive, and has received on an as-needed basis, certain services specified in the SWBT Cost Allocation Manual or set forth in SWBT's tariffs (collectively, the "SWBT-Provided Services"). **See also** Affidavit of Elizabeth Ham. SBLD is obtaining the following services from SWBT:
 - a. **Official Communications**: This function includes the administration of local, intraLATA, and interLATA communications service, and includes consulting and engineering. Official Communications also includes official directory, conference service calls, 5-Call message service, and terminal equipment.
 - b. **InterLATA Communication**: Official Communication through the Southwestern Electronic Tandem Network (SWETN).
 - c. **Purchasing and Contracting**: This service includes the processing of purchase requisitions for stock and non-stock materials and the provision of consultation services.
 - d. **Temporary Projects**: This service includes temporary support to SBLD on a project specific basis including, but not limited to, (1) consultation, documentation, and training support, and (2) collection of intraLATA and interLATA toll billing data from certain SWBT customer bills for Carrier Identification Codes ("CICs")

on Access Customer Name Abbreviation ("ACNA") codes in response to customer authorization.

- e. **Computer Software:** This service involves the licensing or other sale of SWBT programming efforts to create, maintain, or customize software.
- f. **Bellcore Support Services:** This service category includes purchase and support of Bellcore projects.
- g. **Other Administrative Services:** This service category includes duplication of documents, overflow electronic typing services, and various other administrative support activities.
- h. **Building Distribution System and Local Area Networks ("BDS/LAN") Installation and Maintenance:** This service category includes the installation, maintenance, and repair of internal voice and data networks. These services also may include consulting, engineering, administration, management and design activities associated with or required by the installed networks. These networks are customized wiring plans for a building or campus and may consist of copper, coaxial, or fiber cable and wire.
- i. **Network Management Bureau Services:** Services included in this category may include network systems installation and start-up, service implementation, switch installation and translations, client specific development, and data communications set-up.
- j. **Legal Services:** Services include performance of general legal services on a project-specific basis.

- k. **Revenue and Public Affairs:** Services include the ongoing review of general legislative and regulatory support, including, but not limited to, research, identification of bills of potential importance, and lobbying.
 - l. **Ad Valorem Tax Services:** Services include general ad valorem taxation support.
 - m. **Tariffed Services:** These services include the following:
 - i. **Interstate Access Services.** Access services provided under FCC Tariff No. 73, including equal access trunks (Feature Group D), special access MegaLink Custom (DS3), High Capacity Service (DS1), MegaLink Data (56Kbps), and SS7 Signaling Service.
 - ii. **Local Exchange Services.** Local exchange services including normal business tariffed products.
 - n. **Human Resource Support:** Service includes routine administration provided by Human Resource administration.
 - o. **Real Estate Management:** Services include lease administration; architectural planning, design, and construction; floor space planning; furniture inventory; floor space, conference services and furniture leasing; parking facilities.
3. To date, all of the SWBT-Provided Services have been recorded on a basis consistent with Parts 32 and 64 as determined by the FCC prior to adoption of the **Accounting Safeguards Report and Order.**
4. To the extent joint marketing or administrative services are purchased from SWBT, it will be on terms and conditions consistent with Section 272 and any applicable FCC regulations as adopted in the **Accounting Safeguards Report and Order.**
5. SBLD may negotiate with SWBT on an arms-length basis to obtain transmission and switching facilities from SWBT, to arrange for collocation of facilities, or to provide or to

obtain services other than those described above or expressly prohibited in the Non-Accounting Safeguards First Report and Order. SBLD and SWBT will account for any affiliate transaction between SBLD and SWBT in accordance with the rules adopted by the FCC in the Accounting Safeguards Report and Order.

The information contained in this affidavit is true and correct to the best of my knowledge and belief.


KATHLEEN LARKIN

Subscribed and sworn to before me this 9TH day of APRIL, 1997.


NOTARY PUBLIC

My commission expires:

LAVERNE R GERLEY
NOTARY PUBLIC STATE OF MISSOURI
ST LOUIS COUNTY
MY COMMISSION EXP OCT 11,2000

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Application of SBC Communications, Inc.,)
Southwestern Bell Telephone Company, and)
Southwestern Bell Communications)
Services, Inc., for Provision of In-Region,)
InterLATA Services in Oklahoma)

CC Docket No. _____

AFFIDAVIT OF NANCY J. LOWRANCE

I, NANCY J. LOWRANCE, being duly sworn, do hereby depose and state as follows:

1. My name is Nancy J. Lowrance. My business address is One Bell Plaza, Room 702, Dallas, Texas 75202. I am Director-Alternate Service Providers. In this position, I am responsible for directing the activities associated with daily order activity and billing matters from the competing local exchange carriers (CLECs). I am also responsible for directing the activities of the Vendor/Consultant Resource Center and the Private Coin Team, both of which handle daily activities relating to vendor/end user orders.

Education and Professional Experience

2. I received a Bachelor of Business Administration degree from Amber University in 1988.
3. I began working for Southwestern Bell Telephone Company ("SWBT") in 1974 as a clerk in the Test Center. After holding various non-management positions, I was promoted to coordinate the Demand and Facility Data Base in 1978. I held various positions until 1984, at which time I was named Manager-Technical/Network Operations and had responsibility for developing customer specific pricing for numerous products and applications. In 1988, I was assigned to Circuit Provisioning, where I had responsibility

for creating the Project Management Center that managed and led interdepartmental teams for customer projects involving technology such as Plexar, Network Reconfiguration Service, and all special services. In 1991, I was promoted to Corporate Manager at Southwestern Bell Messaging Services. I was responsible for implementing the new Business venture for Business Voice Messaging Services. In 1993, I was named Director-Southwestern Bell Telecom, responsible for day-to-day operations of the Voice Processing division. Thereafter, I assumed the position of General Sales Manager-Marketing in Telecom, responsible for creating and implementing sales strategies and tactics as well as motivating, training and development of the sales force and distribution channels in all five states. In 1995, I was named Vice President-Marketing of Southwestern Bell Messaging Services in San Antonio, Texas. This assignment established a new organization responsible for developing new messaging product lines. I held this position for 11 months, until I assumed my current assignment Director-Alternate Service Providers.

4. As Director-Alternate Service providers, I am responsible for managing the Local Service Provider Service Center ("LSPSC"). For clarification, SWBT also refers to CLECs as local service providers (LSPs). The LSPSC is part of Stephen Carter's organization. Stephen Carter is the Vice President & General Manager-Special Services, and is in charge of SWBT's wholesale operations, which provides access and interconnection to SWBT's local exchange network facilities and services, as well as exchange access services.

Purpose Of Affidavit

5. The purpose of my affidavit is to describe the operations of the LSPSC, and to demonstrate how SWBT is providing ordering, provisioning, and billing services to the CLECs for interconnection, resold services, and unbundled network elements. I will further show that SWBT has received and processed CLEC orders, and is prepared to expand to meet CLEC demand for service. My affidavit, together with the affidavits of Elizabeth A. Ham and Linda D. Kramer, demonstrates that SWBT is in compliance with its obligation under the Telecommunications Act of 1996 and the rules of the Federal Communications Commission to provide nondiscriminatory access to its OSS functions.

Local Service Provider Service Center (LSPSC)

6. SWBT created the LSPSC to provide CLECs with a single point of contact for purposes of ordering, provisioning, and billing and collections related to interconnection, resold services, and unbundled network elements. Development work began in 1995, with 17 employees. A business case was prepared for establishment of the LSPSC. The 1996 budget exceeded \$3 million for salaries, training, and build-out of the necessary facilities. The build-out is complete, and includes a security system which prevents general access to the LSPSC. SWBT's retail sales representatives are denied access to the LSPSC. The 1997 budget for operation of the LSPSC is approximately \$5 million.
7. As of January, 1997, the LSPSC had grown to 186 management and non-management employees. The LSPSC has five line area manager groups reporting to me. Each area manager group is composed of a number of both management and non-management

employees, which serve as service representatives and communications consultants to the CLECs. The area managers oversee the operations of the LSPSC in support of a specific number of CLEC accounts and serve as the SWBT liaison with the CLECs. Their duties include personnel administration, subordinate development and force management, assistance in negotiations with CLECs, and implementation of CLEC interconnection agreements.

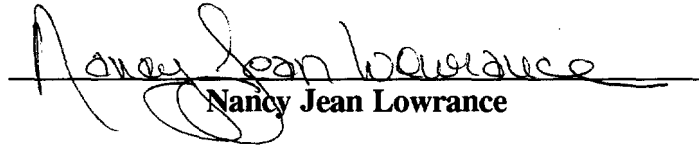
8. The LSPSC service representatives are trained to handle orders for interconnection, resold residence and business services, unbundled network elements, and billing services. The functions performed by the service representatives for CLECs include, but are not limited to, the receipt of incoming orders; assistance in handling ordering and billing inquiries; reviewing orders for accuracy and querying CLECs on missing or incorrect information; issuance of service orders to establish, change or disconnect service; receipt and review of Access Service Requests ("ASRs") for interconnection; and generation of service orders from ASRs. The initial training of the sales representatives takes approximately 3 months, which is followed up by extensive training on a continual basis.
9. The LSPSC communications consultants perform a number of functions for the CLECs including, but not limited to, coordination with interdepartmental teams in the provisioning of service on major projects involving interconnection and unbundled network elements; compilation of relevant information to support project coordination; serves as a technical resource; handling billing inquiries; negotiation of due dates and telephone number assignments on major projects; and communication of detailed information necessary for the preparation of service orders.

10. The LSPSC provides ordering and provisioning services for CLECs Monday through Friday from 8 a.m. to 5:30 p.m. Additional coverage can be negotiated or requested as needed by the CLECs.
11. The LSPSC is set up to receive CLEC orders for interconnection, resold services, and unbundled network elements in a variety of ways. Orders can be placed manually by telephone or facsimile, or be sent mechanically through electronic data interfaces offered by SWBT for access to its OSS functions. See Affidavit of Elizabeth A. Ham for a discussion of access to SWBT's OSS functions. The choice of methodology for placing orders is made totally by the CLEC. Due date selection and provisioning flows utilized by the LSPSC for CLECs are the same as those utilized by SWBT's retail sales representatives, thus ensuring parity of provisioning for CLECs. To date, no CLEC has used electronic data interfaces for access to SWBT's OSS functions.
12. The process flow for manual orders placed by telephone or facsimile are essentially the same. LSPSC service representatives receive CLEC service orders and enter the service order information into the EASE system for like services. As discussed by Ms. Ham in her affidavit, the EASE system is precisely the same system utilized by SWBT's retail service representatives in pre-ordering and ordering services for its own retail customers. Service orders are monitored throughout the process to ensure that they are completed and that billing begins. If field work is required, the appropriate department dispatches a technician, the work is performed and the order is completed, and billing begins.
13. The LSPSC is also responsible for handling billing and collection activity for the CLECs,

consistent with the terms and conditions contained in the interconnection agreements with each CLEC.

14. In 1996, there were over 40,000 service orders processed by the LSPSC. Of those, 99% were resale orders. In December, 1996 a little over 10,000 orders were processed and in January, 1997 almost 12,000 orders were processed. No orders have yet been placed for unbundled elements.
15. SWBT is committed to providing sufficient resources to the LSPSC to meet the needs of the CLECs and has done so to meet anticipated CLEC demand. SWBT has requested forecasts of expected transaction/order volumes from several of the larger CLECs. To date, few CLECs have provided any forecast information with which to develop resource strategies. Without forecasts from the CLECs of actual anticipated order volumes for interconnection, resold services, and unbundled network elements, SWBT will determine future resource requirements after assessment of initial, actual transaction volumes and analysis of SWBT's own internal forecasts of demand from the CLECs.

The information contained in this affidavit is true and correct to the best of my knowledge and belief.


Nancy Jean Lowrance

Subscribed and sworn to before me this 9th day of April, 1997.


NOTARY PUBLIC

My commission expires:

2-3-99

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of
Application of SBC Communications,
Inc., Southwestern Bell Telephone
Company, and Southwestern Bell
Communications Services Inc., d/b/a
Southwestern Bell Long Distance, for
the Provision of In-Region,
InterLATA Services in Oklahoma

CC Docket No. _____

AFFIDAVIT OF MICHAEL L. MONTGOMERY
ON BEHALF OF SOUTHWESTERN BELL TELEPHONE CO.

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

I, MICHAEL L. MONTGOMERY, being of lawful age and duly sworn upon my oath,
depose and state:

1. My name is Michael L. Montgomery. I am employed by Southwestern Bell Telephone
Company (SWBT) as Area Manager Competitive Analysis in the Customer Services
Department. My business address is One Bell Plaza, Room 1900.14, Dallas, TX 75202.

2. I started employment with SWBT in 1981 and held assignments in Sales and
Marketing (i.e., phone center and business office). From 1987 to 1992, I worked as a Design

Consultant, designing complex voice and data networks for large business end users. In 1992, I joined the Competitive Analysis group/Sales Support and was responsible for monitoring and analyzing the activities of Competitive Access Providers (CAPs) in SWBT's territory. The assignment included studying the proximity of the CAPs' networks to SWBT business customers to show the amount of accounts/customers/revenues at risk. I began my current assignment as Area Manager-Competitive Analysis in 1996 and in this position am responsible for documenting the networks of SWBT's facilities-based competitors and analyzing the associated risks in the SWBT five state area. I have a Bachelor of Business Administration degree from Tarleton State University in Stephenville, Texas.

3. The purpose of my affidavit is to show how many SWBT business and residence accounts, business and residence lines, and business and residence local exchange service revenues are within the typical reach of and are therefore at the greatest risk of loss to facilities-based Local Service Providers (LSPs) in the Tulsa and Oklahoma City metropolitan areas. SWBT customer locations located within 500 feet and 1000 feet of the fiber optic networks of these LSPs were selected for this analysis. As will be seen in the analysis, a significant quantity of SWBT's business and residence access lines and revenues are within 500 feet and 1000 feet of known competitor fiber in the Oklahoma City and Tulsa metropolitan areas.

4. The majority of LSP customers are located within 500 feet and 1000 feet of their fiber optic networks. However, there are known cases where competitors have built out as far as 2000 feet and 5000 feet from their main fiber ring to serve certain customers.

5. Staying with the conservative coverage area of 500 feet and 1000 feet from the LSP's fiber, my analysis shows how many SWBT business and residence customers are within the

typical reach of these LSPs in the studied metropolitan areas. Whether or not the LSP will be successful in obtaining those business and residences as customers of its own service is not the purpose of this analysis. But, it can be readily seen that a significant number of access lines and revenues are within easy reach of these LSPs.

6. The revenues included in my analysis are understated because they do not include long distance or access service revenues that could be derived from serving a SWBT customer. The prospect of those additional revenues provides an even greater incentive for LSPs to deploy their facilities to serve both business and residential customers in the designated areas. The number of addressable lines and accounts are also understated due to the fact that we do not have the complete fiber optic network of these competitors documented. As a consequence, there are some business and residence lines/ accounts that would otherwise be added to this analysis. Some LSP fiber is located in areas unavailable for viewing, for example, in conduit that does not belong to SWBT and to which SWBT does not have access. Thus, we have not been able to document or depict all of the LSP fiber which exists in the designated areas.

7. Montgomery Proprietary Schedule 1 presents the results of the proximity analysis within SWBT's local serving territory in the Tulsa metropolitan area. It shows the proximity of SWBT's Tulsa business and residence accounts, business and residence lines, and business and residence local exchange service revenues to the facilities-based fiber optic networks of Brooks Fiber Communications (BFC), American Communications Service of Tulsa (ACSI); and to the combined networks of those carriers using facility maps provided by SWBT's field personnel. Because much of the information is competitively sensitive and proprietary to SWBT, Montgomery Schedule 1 is being filed under seal with a request for confidential treatment.

8. Montgomery Proprietary Schedule 1 shows approximately 40% of SWBT's business lines in SWBT's Tulsa local serving area are located within 500 feet of BFC's fiber facilities, and approximately 56% of SWBT's business lines in SWBT's Tulsa local serving area are located within 1000 feet of BFC's fiber facilities. In addition, approximately 46% of SWBT's Tulsa business lines are located within 500 feet of the combined BFC and ACSI Tulsa fiber networks, and approximately 63% are located within 1000 feet of those combined networks. Thus, nearly half of SWBT's Tulsa business lines are within 500 feet, and more than half are within 1000 feet of alternative networks in the Tulsa metropolitan area.

9. On the residence side, Montgomery Proprietary Schedule 1 shows approximately 13% of SWBT's Tulsa residence lines are located within 500 feet of BFC's fiber network in Tulsa, and approximately 27% of SWBT's Tulsa residence lines are located within 1000 feet of those facilities. The number of such residence lines does not change when the BFC and ACSI networks are combined, due to the fact that the ACSI network is located downtown where few residences are located and because most of those residences would already be within the studied reach of BFC's Tulsa network. Thus, almost one-third of SWBT's Tulsa residence lines are within 1000 feet of alternative networks in Tulsa.

10. Significantly, the Tulsa proximity analysis does not include data on TCI's fiber optic network in Tulsa or the Personal Communications Services (PCS) networks currently under construction in the area and, therefore, understates the actual SWBT Tulsa business and residence accounts, business and residence lines, and business and residence local exchange service revenues potentially at risk in the area.

11. Montgomery Proprietary Schedule 2 contains the results of my proximity analysis

within SWBT's local serving area in the Oklahoma City metropolitan area. It shows the proximity of SWBT's Oklahoma City business and residence accounts, business and residence lines, and business and residence local exchange service revenues to the facilities-based fiber optic networks of BFC, Cox Communications (Cox), and to the combined facilities-based networks of those carriers in the Oklahoma City metropolitan area. Because much of the information is competitively sensitive and proprietary to SWBT, Montgomery Schedule 2 is being filed under seal with a request for confidential treatment.

12. Montgomery Proprietary Schedule 2 shows approximately 16% of SWBT's Oklahoma City business lines are located within 500 feet of BFC's fiber network in Oklahoma City, and approximately 25% of SWBT's Oklahoma City business lines are located within 1000 feet of those facilities. When the BFC and Cox Oklahoma City fiber networks are combined for analysis, approximately 41% of SWBT's Oklahoma City business lines are located within 500 feet of the combined networks, and approximately 57% of SWBT's Oklahoma City business lines are located within 1000 feet of the combined BFC and Cox networks. The business line data for the combined (BFC and Cox) networks in Oklahoma City is comparable to the business line data for the stand-alone BFC network in Tulsa (40% and 56%, respectively). That is, almost half of SWBT's Oklahoma City business lines are within 500 feet, and over half are within 1000 feet of the combined alternative fiber networks in Oklahoma City.

13. On the residence side, Montgomery Proprietary Schedule 2 shows approximately 21% of SWBT's Oklahoma City residence lines are located within 500 feet of the combined BFC and Cox fiber networks in Oklahoma City, and approximately 36% of SWBT's Oklahoma City residence lines are located within 1000 feet of those facilities. In other words, more than a third

of SWBT's Oklahoma City residence lines are within 1000 feet of the combined alternative networks in Oklahoma City.

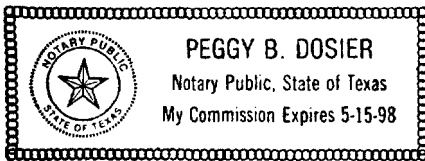
14. The Oklahoma City proximity analysis is also conservative in that it does not include data on the Multimedia Cablevision and Indian Nations Fiber optic networks (or the PCS networks) in and around Oklahoma City and, as a consequence, likely understates the full competitive reach of alternative networks to SWBT's business and residence lines in the Oklahoma City area.

15. Montgomery Schedule 3 contains overlay maps of the BFC fiber networks in Tulsa and Oklahoma City showing the proximity of those networks to SWBT's business and residence lines in those areas. It also includes overlay maps showing the same information for the combined BFC and ASCI networks in Tulsa, and the combined BFC and Cox networks in Oklahoma City. The overlay maps graphically demonstrate that these LSP networks place a significant amount of SWBT's local exchange service revenues at risk as they are within easy reach of the identified LSPs.

The information contained in this affidavit and in the attached Schedules is true and correct to the best of my knowledge and belief.


MICHAEL L. MONTGOMERY

Subscribed and sworn to before me this 8th day of April 1997.




NOTARY PUBLIC

My commission expires:

05-15-98

MONTGOMERY PROPRIETARY SCHEDULE 1

**CONFIDENTIAL: TO BE FILED UNDER SEAL
PURSUANT TO PROTECTIVE ORDER**

MONTGOMERY PROPRIETARY SCHEDULE 2

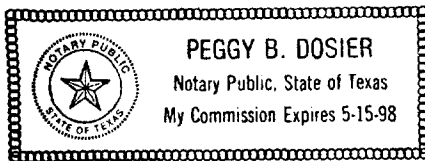
**CONFIDENTIAL: TO BE FILED UNDER SEAL
PURSUANT TO PROTECTIVE ORDER**

MONTGOMERY SCHEDULE 3

The information contained in this affidavit and in the attached Schedules is true and correct to the best of my knowledge and belief.


MICHAEL L. MONTGOMERY

Subscribed and sworn to before me this 8th day of April 1997.




NOTARY PUBLIC

My commission expires:

05-15-98